



DEPARTMENT OF PLANNING AND BUILDING

Promoting the wise use of land – Helping to build great communities

June 30, 2016

Phillips 66
Attn: Jim Anderson
Maintenance Superintendent
2555 Willow Road
Arroyo Grande CA 93420

Dear Mr. Anderson,

During the April 15, 2016, Planning Commission hearing for the Phillips 66 ("Phillips") rail spur project (DRC2012-00095) it was revealed that Phillips has begun transporting crude directly to the Santa Maria Refinery (SMR) via truck. This is new information for the County, and the County's Environmental Impact Report analysis and calculations were conducted under the assumption that Phillips did not bring heavy crude onto the SMR by truck, and that all crude processed at the refinery was brought in via pipeline and from the approved Santa Maria Pump station where there is a permit to allow trucking of heavy crude.

The trucking of crude to SMR is a potentially significant change in the project description that may: 1) require additional environmental review (e.g., an EIR Supplement), and 2) trigger a previous Condition of Approval (i.e., "GEN 3" from a previous Development Plan- D890287D) which requires a new Development Plan and Planning Commission review (see attached D890287D Conditions).

The conditions on the property from permit D890287D state that the owner/operator must obtain a Development Plan from the County in order to institute this change. Specifically: "GEN 3" says: "... *The applicant shall obtain a new development plan approval from San Luis Obispo County prior to undertaking any of the following activities: Any refinery modifications or expansion, any changes in maximum throughput from 44, 500 BPD wet oil, or any other change which in the County's sole judgement have the potential to cause significant impacts.*" This was additionally noted within the staff report for the Throughput project (DRC2008-00146) where it was stated "*The land use permit requirement was set by D890287D to ensure that any significant future actions at the facility would be reviewed by the Planning Commission prior to being approved.*" Bringing in crude by truck is a modification of the refinery and, additionally, may have the potential to cause significant impacts.

Specific trucking information from Phillips 66 is necessary in order to complete preparation of Findings and Conditions of Approval for the rail-spur project. The County will need to review and accept a complete "Trucking Plan". This Trucking Plan, prepared by Phillips 66, should include, at least the following: the date the trucking of crude began, the number of trucks/ day, the amount of crude being delivered/day, the types

of trucks being used, the truck routes, the hours of trucking operations, and any new infrastructure constructed at the site to accommodate the deliveries.

Once a complete Trucking Plan has been received, the County will review the Plan and determine the next course of action necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Hostettler". The signature is fluid and cursive, with the first name "Ryan" being more prominent than the last name "Hostettler".

Ryan Hostettler,
Supervising Planner
County of San Luis Obispo
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Sent via email and post.